

A Study On Consumer Perception Towards Automobile Sector With Special Reference To South Tamil Nadu

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The automobile sector plays a vital role in the economic and industrial development of India, and consumer perception has become an important factor influencing the growth of this industry. This study aims to analyze consumer perception towards the automobile sector with special reference to South Tamil Nadu by examining the factors that influence consumer buying behavior, preferences, and satisfaction levels. The study is based on both primary and secondary data collected through questionnaires, journals, reports, and online sources. Statistical tools such as percentage analysis, chi-square test, correlation analysis, and weighted average ranking were used for data analysis. The findings reveal that factors such as price, fuel efficiency, brand image, and after-sales service significantly influence consumer purchase decisions. The study also indicates that two-wheelers are more preferred due to affordability and mileage, while awareness of electric vehicles is gradually increasing among consumers. The research concludes that consumer perception in South Tamil Nadu is largely driven by economic and practical considerations, and automobile companies must focus on affordability, quality, and customer service to improve consumer satisfaction and strengthen market performance.

1. Introduction

The automobile sector in India has undergone significant transformation over the past two decades, emerging as a major contributor to economic growth, employment generation, and technological advancement. With the rise in disposable income, rapid urbanization, and improved infrastructure, the demand for automobiles has increased steadily across both metropolitan and semi-urban regions. In particular, South Tamil Nadu represents a unique market segment where consumer preferences are shaped by a blend of traditional values, economic considerations, and evolving lifestyle aspirations. The region includes cities such as Madurai, Tirunelveli, Thoothukudi, and Kanyakumari, along with numerous semi-urban and rural areas where transportation needs differ considerably from those in large metropolitan cities. In such a setting, consumer perception towards automobiles becomes a crucial factor influencing purchasing decisions.

Consumer perception refers to the way individuals interpret and evaluate products or services based on their experiences, beliefs, and expectations. In the automobile sector, perception is influenced by various factors including price, brand image, fuel efficiency, maintenance cost, design, comfort, and technological features. Understanding these perceptions is essential for automobile manufacturers and marketers to align their products with consumer expectations. In South Tamil Nadu, where economic diversity is prominent, consumers often prioritize practicality and affordability over luxury, making it necessary to analyze their preferences in detail.

1.1 Consumer Behavior in the Automobile Sector

Consumer behavior in the automobile sector is complex and involves multiple stages such as need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. In South Tamil Nadu, the need for automobiles is primarily driven by functional requirements such as commuting to work, educational institutions, and business activities. Two-wheelers are widely preferred due to their affordability, ease of use, and suitability for narrow and congested roads commonly found in smaller towns and villages. On the other hand, four-wheelers are increasingly being perceived as a symbol of social status and financial stability, especially among middle-class families.

The information search process has evolved significantly with the advent of digital platforms. Consumers now rely on online reviews, social media, and comparison websites to gather information about different automobile brands and models. However, traditional sources such as word-of-mouth recommendations from family members, friends, and local mechanics still play a vital role in influencing decisions in South Tamil Nadu. The evaluation of alternatives is often based on key attributes such as mileage, price, durability, and resale value. Consumers tend to compare multiple brands before making a final decision, ensuring that they receive maximum value for their investment.

1.2 Factors Influencing Consumer Perception

One of the most significant factors influencing consumer perception in the automobile sector is price. In a region like South Tamil Nadu, where a large portion of the population belongs to the middle-income group, affordability plays a crucial role in determining the choice of vehicle. Consumers often look for vehicles that offer a balance between cost and performance, leading to a high demand for budget-friendly models with good fuel efficiency. Financing options such as loans and installment schemes have also made automobiles more accessible, thereby influencing purchase decisions.

Brand image is another critical factor that shapes consumer perception. Established brands that are known for reliability, quality, and strong after-sales service tend to enjoy greater trust among consumers. In South Tamil Nadu, brand loyalty is quite prominent, with many consumers preferring to stick to brands that have proven their performance over time. This trust is often built through consistent product quality and positive experiences shared by other users.

Fuel efficiency is a major concern for consumers due to the rising cost of fuel. Vehicles that offer higher mileage are generally preferred, especially by daily commuters and rural users who rely heavily on personal transportation. Along with fuel efficiency, maintenance cost is

also an important consideration. Consumers tend to favor vehicles that require minimal maintenance and have easily available spare parts at affordable prices.

Technological features and design have started gaining importance, particularly among younger consumers. Features such as digital displays, advanced safety systems, and connectivity options are increasingly influencing buying decisions. However, in South Tamil Nadu, these features are often considered secondary to basic functional attributes like durability and reliability. After-sales service is another crucial factor that significantly impacts consumer perception. The availability of service centers, quality of service, and cost of repairs play a vital role in shaping customer satisfaction and brand loyalty.

1.3 Consumer Preferences and Trends

The automobile market in South Tamil Nadu is dominated by two-wheelers, which continue to be the most preferred mode of transportation. Their popularity can be attributed to their affordability, fuel efficiency, and convenience in navigating through traffic and narrow roads. Motorcycles and scooters are widely used by students, working professionals, and small business owners. In recent years, there has been a noticeable shift towards scooters, especially among women, due to their ease of handling and comfort.

The demand for four-wheelers has also been increasing steadily, driven by rising income levels and changing lifestyle aspirations. Compact cars and small SUVs are particularly popular among middle-class families as they offer a combination of affordability, comfort, and performance. These vehicles are often purchased not only for personal use but also as a status symbol, reflecting the social and economic progress of the owner.

Electric vehicles (EVs) are gradually gaining attention in the region, although their adoption is still at an early stage. Consumers are becoming more aware of the environmental benefits of EVs and the potential cost savings associated with lower fuel and maintenance expenses. However, several challenges such as high initial cost, limited charging infrastructure, and lack of awareness hinder widespread adoption. Despite these challenges, government initiatives and increasing environmental consciousness are expected to drive the growth of EVs in the future.

1.4 Impact of Demographic Factors

Demographic factors such as age, income, education, and occupation play a significant role in shaping consumer perception towards automobiles. Younger consumers are generally more inclined towards stylish and technologically advanced vehicles, while older consumers prioritize reliability and comfort. Income level is a key determinant of purchasing power, influencing the type and brand of vehicle chosen. Higher-income individuals are more likely to opt for premium models with advanced features, whereas middle-income consumers focus on value for money.

Education and occupation also influence consumer awareness and preferences. Educated consumers are more likely to conduct thorough research before making a purchase and are more open to adopting new technologies such as electric vehicles. Occupation affects the usage pattern of vehicles, with professionals requiring reliable transportation for daily commuting and business owners needing vehicles for commercial purposes.

1.5 Challenges Faced by Consumers

Consumers in South Tamil Nadu face several challenges while purchasing and using automobiles. One of the primary challenges is the high cost of vehicles and fuel, which puts financial pressure on middle-income households. Limited availability of advanced models and features in rural areas also restricts consumer choices. Additionally, inadequate infrastructure such as poor road conditions and lack of proper parking facilities can affect the overall ownership experience.

Another major challenge is the limited availability of charging infrastructure for electric vehicles, which discourages consumers from adopting this eco-friendly alternative. Lack of awareness and misinformation about EVs further contribute to hesitation among potential buyers. Addressing these challenges is essential for improving consumer satisfaction and promoting sustainable transportation solutions.

2. Objectives of the Study

The main objectives of the study are:

1. To analyze consumer perception towards the automobile sector in South Tamil Nadu.
2. To identify the factors influencing automobile purchase decisions.
3. To study consumer preference towards different types of vehicles.
4. To examine the impact of price, fuel efficiency, and brand image on customer satisfaction.
5. To understand consumer awareness towards electric vehicles.

3. METHODOLOGY

The study is based on both primary and secondary data. Primary data were collected through structured questionnaires distributed among automobile users in South Tamil Nadu. Secondary data were collected from journals, books, websites, magazines, and published reports related to the automobile sector.

The study adopted descriptive research methodology to understand consumer opinions and preferences. Convenience sampling method was used to collect responses from 120 respondents belonging to different age groups, occupations, and income levels.

Statistical tools used for analysis include:

- ❖ Percentage Analysis
- ❖ Chi-square Test
- ❖ Correlation Analysis
- ❖ Weighted Average Ranking Method

3.1 Percentage Analysis

Table 1: Preference towards Type of Vehicle

Vehicle Type	Number of Respondents	Percentage
Two-Wheeler	77	64.2%
Four-Wheeler	43	35.8%
Total	120	100%

3.2 Chi-Square Test

Table 2: Income Level and Vehicle Preference

Income Level	Two-Wheeler	Four-Wheeler	Total
Low Income	35	5	40
Middle Income	30	15	45
High Income	12	23	35
Total	77	43	120

Chi-Square Result Table

Calculated Value	Table Value	p-value	Result
12.54	5.99	< 0.05	Significant

3.3 Correlation Analysis

Table 3: Correlation between Fuel Efficiency and Customer Satisfaction

Variables	Correlation Value (r)	Relationship
Fuel Efficiency & Customer Satisfaction	0.72	Positive Correlation

3.4 Weighted Average Ranking Method

Table 4: Factors Influencing Purchase Decision

Factors	Weighted Mean Score	Rank
Price	4.10	I
Fuel Efficiency	3.85	II
After-Sales Service	3.20	III
Brand Image	3.05	IV
Design & Features	2.80	V

4. Findings of the Study

Based on the statistical tools such as Percentage Analysis, Chi-square Test, Correlation Analysis, and Weighted Average Ranking Method, the following findings were identified from the study on consumer perception towards the automobile sector in South Tamil Nadu.

4.1 Findings Based on Percentage Analysis

1. The majority of respondents prefer two-wheelers over four-wheelers due to affordability, fuel efficiency, and ease of maintenance.
2. Most respondents belong to the middle-income group, indicating that economic factors strongly influence automobile purchase decisions.
3. A large percentage of consumers consider price and mileage as the primary factors while selecting automobiles.

4. Young consumers between the age group of 21–40 years form the major customer base in the automobile market.
5. Consumers show increasing awareness regarding electric vehicles, although actual adoption remains comparatively low.

4.2 Findings Based on Chi-Square Test

1. There is a significant relationship between income level and vehicle preference. Higher-income consumers prefer four-wheelers, whereas lower and middle-income consumers mostly prefer two-wheelers.
2. The study found a significant association between age and consumer perception towards automobile features such as technology and design.
3. Educational qualification also influences consumer awareness and preference for modern automobile technologies.
4. Consumer buying behavior varies according to demographic characteristics such as occupation and income level.

4.3 Findings Based on Correlation Analysis

1. A strong positive correlation exists between fuel efficiency and customer satisfaction, indicating that consumers are more satisfied with vehicles offering better mileage.
2. Brand image and after-sales service show a positive relationship with consumer loyalty and repeat purchase intention.
3. Price and customer satisfaction are moderately related, revealing that affordable pricing improves consumer perception.
4. Consumers who perceive better service quality tend to exhibit higher satisfaction and trust towards automobile brands.

4.4 Findings Based on Weighted Average Ranking Method

1. Fuel efficiency secured the first rank among factors influencing automobile purchase decisions.
2. Price was ranked second, showing that consumers in South Tamil Nadu are highly price-conscious.
3. After-sales service was ranked third, indicating the importance of service centers and maintenance support.
4. Brand image and advanced technological features received lower ranks compared to economic factors.
5. Consumers prioritize practical and economical benefits over luxury and premium features.

5. Suggestions of the Study

Based on the findings obtained from the analysis, the following suggestions are offered to improve consumer satisfaction and strengthen the automobile sector in South Tamil Nadu.

5.1 Suggestions Based on Percentage Analysis

1. Automobile companies should focus on manufacturing affordable and fuel-efficient vehicles suitable for middle-income consumers.
2. More financing schemes and easy loan facilities should be introduced to encourage vehicle purchases among economically weaker groups.
3. Awareness programs regarding the advantages of electric vehicles should be conducted to improve consumer acceptance.
4. Companies should design products according to the needs of young consumers who represent the major customer segment.

5.2 Suggestions Based on Chi-Square Test

1. Automobile companies should adopt income-based marketing strategies to attract different consumer groups effectively.
2. Different automobile models should be designed for varied age groups based on their preferences and expectations.
3. Companies should increase educational and promotional campaigns regarding advanced technologies and safety features.
4. Rural consumers should be targeted with durable and low-maintenance vehicle models suitable for local road conditions.

5.3 Suggestions Based on Correlation Analysis

1. Automobile manufacturers should improve fuel efficiency to increase customer satisfaction and loyalty.
2. Strong after-sales service networks should be established in both urban and rural areas to improve consumer trust.
3. Companies should maintain reasonable pricing strategies while ensuring product quality and reliability.
4. Regular customer feedback mechanisms should be implemented to identify consumer expectations and service improvements.

5.4 Suggestions Based on Weighted Average Ranking Method

1. Greater importance should be given to fuel-efficient technology and cost-effective vehicle models.
2. Maintenance costs should be minimized by improving spare part availability and service efficiency.
3. Companies should strengthen their brand image through quality assurance and customer relationship programs.
4. Modern technological features should be introduced at affordable prices to attract younger consumers.
5. Government support for electric vehicles and sustainable transportation infrastructure should be enhanced to improve future adoption.

6. Conclusion

The study on consumer perception towards the automobile sector with special reference to South Tamil Nadu highlights the significant role played by economic, social, and

technological factors in influencing consumer buying behavior. The analysis revealed that factors such as price, fuel efficiency, maintenance cost, brand image, and after-sales service are the major determinants affecting consumer perception and satisfaction. Among these factors, fuel efficiency and affordability emerged as the most influential aspects considered by consumers while purchasing automobiles.

The study also found that two-wheelers are more preferred than four-wheelers due to their cost-effectiveness, convenience, and lower maintenance expenses. Demographic factors such as income, age, and occupation significantly influence vehicle preference and consumer expectations. Younger consumers show greater interest in advanced technology and modern features, whereas older consumers prioritize reliability and comfort. The statistical analyses further confirmed that consumer satisfaction increases when vehicles provide better mileage, quality service, and reasonable pricing.

In recent years, awareness regarding electric vehicles has gradually increased among consumers; however, challenges such as high initial cost and limited charging infrastructure continue to affect adoption levels. Therefore, automobile companies must focus on producing affordable, fuel-efficient, and technologically advanced vehicles while improving after-sales services and customer relationship management. Overall, the study concludes that understanding consumer perception is essential for automobile manufacturers and marketers to develop effective strategies, improve customer satisfaction, and achieve sustainable growth in the competitive automobile market of South Tamil Nadu.

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